



CONSUMER ALERT

FORECLOSURE RESCUE SCAMS

If someone who is not your mortgage lender promises to save your home and asks for you to pay money up front, ***WATCH OUT***. Fraudulent foreclosure consultants target homeowners who are behind on their mortgage payments. **Here's what you can do to avoid becoming a victim:**

- 1. DON'T transfer title or sell your house to the foreclosure rescuer.** Fraudulent foreclosure consultants often promise that if the homeowners transfer title, they may stay in the home as renters and buy it back later. The foreclosure consultants claim that transfer is necessary so that someone with a better credit rating can obtain a new loan to prevent foreclosure. BEWARE! This is a common scheme "rescuers" use to evict homeowners and steal all or most of their home's equity.
- 2. DON'T pay money to people who promise to work with your lender to modify your loan.** It is unlawful for foreclosure consultants to collect money **before** (1) they give you a written contract describing the services they promise to provide and (2) they actually perform all the services described in the contract, such as negotiating new monthly payments or a new mortgage loan.
- 3. DON'T pay your mortgage payments to someone other than your lender, even if he/she promises to pass the payment on to the lender.** Fraudulent foreclosure consultants often keep the money for themselves.
- 4. DON'T sign any documents without reading them first.** Many homeowners think that they are signing documents for a new loan to pay off the mortgage they are behind on. Later, they discover that they actually transferred ownership to the "rescuer."
- 5. DON'T ignore letters from your lender.** Consider contacting your lender yourself, as many lenders are willing to work with homeowners who are behind on their payments.
- 6. DO contact a housing counselor approved by the U.S. Department of Housing and Urban Development (HUD), who may be able to help you for free.** For a referral to a housing counselor near you, contact HUD at 1-800-569-4287 (TTY: 1-800-877-8339) or www.hud.gov.
- 7. DO consider contacting the Homeownership Preservation Foundation (HOPE), which assists consumers facing foreclosure, at 1-800-995-HOPE or www.995hope.org.** HOPE is a non-profit organization that partners with community-based organizations, mortgage companies, and government agencies and is part of the HOPE NOW Alliance supported by the U.S. Department of Treasury and HUD.

IF YOU TRANSFERRED YOUR PROPERTY OR PAID SOMEONE TO "RESCUE" YOU FROM FORECLOSURE, YOU MAY BE A VICTIM OF A CRIME. Please file a complaint with the Attorney General's Office at the following address: Office of the Attorney General - Public Inquiry Unit, P.O. Box 944255, Sacramento, CA 94244, or online at www.ag.ca.gov/consumers